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OL Comments on Senate Foreign Relations Committee Report
on the Foreign Assistance Act of 1972

I. Background Comments

A. The source of funds for MASF vs MAP establishes the only difference as both function under the same Military Assistance Program Procedures.

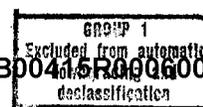
B. The basic Military Assistance Program (MAP) appropriation is singularly enacted by the Congress utilizing the "whole world" basis as the concept combining military and economic aid supporting United States foreign policy. The MAP appropriation is not a part of the DOD budget. While the President can designate any Agency of the United States Government to carry out provisions of the MAP, he has delegated by Executive Order the Secretary of Defense. On the other hand, funds to support SVN and Laos, except for those funds required to maintain economic or political stability; i.e., MAP funds, have been included in the DOD budget and appropriation since 1966/1967; i.e., MASF funds.

II. Specific Comments

A. Subsection (3), page 10: There is very little flexibility now in the administration of our efforts in Laos under MASF. However, the switch to MAP relates only to source of funds and should not affect our efforts materially. Once a particular program is funded, procedures for MASF and MAP are the same (see IIG below).

B. Subsection (5), page 11: Since Thailand reverts to MAP (funding source) 1 July 1972 and Laos scheduled to revert next year, it might be assumed that the contribution by Thai irregulars will terminate commencing with FY 1974. As I read the bill, we will undoubtedly have to depend completely on the FAR/FAN, as funding for Lao irregulars might also be precluded. However, this could be avoided by integrating the irregulars into the FAR prior to 1 July 1973, and earlier if possible to ease budget preparation.

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C. Section 9, page 16: The ceilings for both Cambodia and Laos are comparable for FY 1972; i.e., \$341 million for Cambodia and \$350 million for Laos. If the Cambodian ceiling in FY 1973 is reduced to \$275 million, it could follow that Laos limit would be reduced proportionately. This would have serious impact on Laos ops since the operational budget has increased with military takeover in FY 1973 of logistical support.

D. Section 8, page 16: The inability to transfer funds, except after the fact, would not have a great impact on the Agency even if we are to procure the nonstandard items in the future. I believe we should handle all such requests via the Military Interdepartmental Procurement Request (MIPR) as accommodation purchases. It is apparent there will be much difficulty in handling the direct costs; i.e., salaries, subsistence, and bonuses, etc., if it can be done at all. The restrictions on the Foreign Assistance program will make certain that overt funding will be directed and controlled by the Congress with no unilateral executive action possible.

E. Section 11, page 21: The most significant point here is the injection of itemization in reporting excesses after FY 1973. In FY 1972 dollar amounts were satisfactory. The next logical step will be to identify condition so that costs can be established ranging from the 1/3 minimum to full acquisition cost.

F. No comments on Sections 12 and 14.

G. Section 513, page 33: There will be no military (I interpret this to include PM activities) assistance for Laos after 30 June 1973 unless specifically authorized under the Foreign Assistance or Foreign Sales Acts. This, of course, coincides with the intended switch from MASF to MAP. It is possible that small Agency-supported intelligence teams could be funded as intelligence activities.

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ROUTING AND RECORD SHEET

SUBJECT: (Optional) OL Comments on Senate Foreign Relations Committee Report on the Foreign Assistance Act of 1972

FROM: Director of Logistics 1206 Ames Center Building	EXTENSION 2551	NO. DATE 12 June 1972
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TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1. Deputy Director for Support
7D26 Headquarters Building

12 June
RHS

2.

3. Legislative Counsel
7D35 Headquarters Building

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